

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

OCTOBER 1, 1999

IN RE:)	
)	
PETITION OF MILLINGTON TELEPHONE)	DOCKET NO. 99-00278
COMPANY FOR APPROVAL OF AN INTRALATA)	
TOLL DIALING PARITY PLAN)	
)	

**ORDER APPROVING THE INTRALATA TOLL DIALING PARITY
IMPLEMENTATION PLAN**

This matter came before the Tennessee Regulatory Authority (the "Authority") on June 22, 1999, at a regularly scheduled Authority Conference, to consider the Petition of Millington Telephone Company ("Millington") for approval of its IntraLATA Toll Dialing Parity Implementation Plan ("the Plan").

Section 251(b) of the Telecommunications Act of 1996 ("the Act") requires all Local Exchange Carriers to provide dialing parity.¹ Specifically, section 251 (b)(3) of the Act states, "Dialing Parity - The duty to provide dialing parity to competing providers of telephone exchange service and telephone toll service, and the duty to permit all such providers to have nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listing, with no unreasonable dialing delays." The Act further states in sections 251(f)(1) and 251(f)(2) that a rural telephone company may file with the state commission for exemption, suspension or modification of the dialing parity requirements.

¹ Telecommunications Act of 1996, Pub. L. No. 104-104, (February 8, 1996), codified at 97 U.S.C. §§151 *et seq.*

FILE

The Federal Communications Commission ("FCC") initiated a rulemaking on dialing parity on April 19, 1996 and issued its findings in FCC 96-333 Order (Docket 96-98) adopted on August 8, 1996. This Order sets forth the criteria and guidelines for filing of a plan by all carriers. Subsequent to this Order the United States Court of Appeals for the Eighth Circuit vacated the FCC's rules, as they were applicable to intrastate services.² On January 25, 1999, the United States Supreme Court reversed certain portions of the Eighth Circuit's decision including that part of the decision which had stricken the FCC's rules pertaining to dialing parity.³

The FCC's original date for implementation, February 8, 1999, was reinstated by the Supreme Court's decision of January 25, 1999. As a result of this reinstatement, the FCC released FCC 99-54 Order (Docket 96-98) on March 23, 1999, which set forth revised implementation dates for dialing parity. This Order establishes April 22, 1999 as the new date by which all Local Exchange Carriers must file an IntraLATA Toll Dialing Parity Plan with State Commissions for approval. The Plan must be implemented within thirty (30) days after approval from the State Commission. Additionally, the Order states that the Plan must be filed with the Common Carrier Bureau of the FCC if the State Commission has not acted on the Plan by June 22, 1999.

Millington is an incumbent local exchange carrier that provides telecommunications services in Tennessee. Pursuant to 47 C.F.R. § 51.213, Millington is required to file a plan with the Authority that provides for implementing intraLATA toll dialing parity throughout Millington's exchanges in Tennessee.⁴ This plan must allow customers to pre-subscribe to

² FCC v. Iowa Utils. Bd., United States Court of Appeals for the Eighth Circuit, July 18, 1997.

³ AT&T v. Iowa Utils. Bd., 119 S.Ct. 721 (1999).

⁴ Under 47 C.F.R. §51.213, the Federal Communication Commission requires that an IntraLATA toll dialing parity plan contain: (1) a proposal that explains how the local exchange carrier will offer intraLATA toll dialing parity for each exchange that such carrier operates in the state, in accordance with the provisions of this section, and a proposed time schedule for implementation; and (2) a proposal for timely notification to its subscribers and the methods it proposes to use to enable each subscriber to affirmatively select an intraLATA toll service provider. The state commission must approve any such plan prior to implementation.

different carriers for local service, intraLATA toll service and interLATA toll service.⁵

Millington filed its IntraLATA Toll Dialing Parity Implementation Plan on April 22, 1999. The Plan was amended on May 27, 1999, June 15, 1999 and June 16, 1999. The amended Plan containing Millington's Petition for Approval is attached hereto as Exhibit I and is fully incorporated herein by this reference.

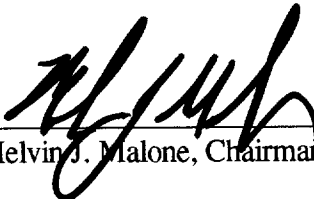
The Directors considered Millington's Plan at the June 22, 1999 Authority Conference and determined that the Plan, as amended, satisfies the requirements set forth by the FCC in Docket 96-98, FCC Order 96-333 and FCC Order 99-54 with one exception.⁶ As amended, the Plan provides for a method that enables customers to select alternate providers of telephone toll service; a method which allows customers to choose different carriers for interLATA and intraLATA service; customer notification/education procedures; and includes a cost recovery method based on the incremental cost of implementing the Plan. The Plan as amended, however, states that customers will be charged the "established tariff rate" for PIC changes. This language is unclear as to the exact charge the customer will incur when changing intraLATA toll providers. Therefore, the Directors unanimously voted to approve Millington's IntraLATA Toll Dialing Parity Implementation Plan as amended, with the requirements that 1) only the NECA PIC change charge will apply to PIC changes and no service order charge will apply, and 2) Millington will comply with all applicable sections of FCC Order 96-333 upon implementation of intraLATA equal access.

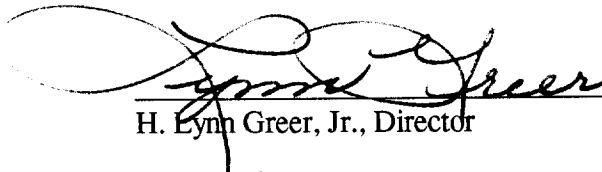
⁵ Pre-subscription allows the customer to place a call without dialing an access code.

⁶ FCC Order 96-333, released August 8, 1996, sets forth the requirements for implementation of IntraLATA Toll Dialing Parity. FCC Order 99-54, released March 23, 1999, extends to June 22, 1999 the deadline for state commissions to act on a LEC's IntraLATA Toll Dialing Parity Plan.

IT IS THEREFORE ORDERED THAT:

1. The amended Plan of Millington Telephone Company for IntraLATA Toll Dialing Parity Implementation, a copy of which is attached as Exhibit I, is hereby approved and is incorporated in this Order as if fully rewritten herein;
2. Millington Telephone Company shall only charge the NECA PIC change charge for PIC changes;
3. Millington Telephone Company shall file amended tariffs reflecting the approved intraLATA PIC change charge and the intraLATA toll dialing parity implementation incremental cost recovery rate element;
4. Millington Telephone Company shall comply with all applicable sections of FCC Order 96-333 upon implementing IntraLATA equal access; and
5. Any party aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within ten (10) days from and after the date of this Order.


Melvin J. Malone, Chairman


H. Lynn Greer, Jr., Director


Sara Kyle, Director

ATTEST:


K. David Waddell, Executive Secretary

**IntraLATA Toll
Dialing Parity
Plan**

REC'D TN
REGULATORY AUTH.

'99 JUN 15 AM 10 35

OFFICE OF THE
EXECUTIVE SECRETARY

**Amended
June 14, 1999**

99-00278

**Millington Telephone Company, Inc.
Tennessee**

April 21, 1999

I. Purpose

As outlined in FCC Docket 96-98 and the TRA's letter dated April 1, 1999, Millington Telephone Company, Inc. submits this plan for implementing intraLATA Toll Dialing Parity in the Millington exchanges located in the state of Tennessee. The intent of this Plan is to provide a proposal that, upon implementation, would provide customers the ability to select the telecommunications carrier of their choice for routing their intraLATA toll calls.

II. IntraLATA Environment

Millington Telephone Company, Inc. customers currently dial area code and the seven digits to complete intraLATA toll calls. The schedule date for implementation of toll dialing parity should not change this dialing pattern.

In 1995, toll-free intraLATA countywide calling was initiated for Millington Telephone Company, Inc. via an order from the Tennessee Public Service Commission. Millington Telephone Company, Inc. currently maintains tar code billing tables to identify "free county-wide" intraLATA toll calls originated by Millington Telephone Company, Inc. intraLATA toll customers and to ensure that billing does not occur on these calls. Millington Telephone Company, Inc. will continue to process toll-free intraLATA countywide call in this manner for its intraLATA toll customers after implementation of intraLATA toll dialing.

III. Implementation Schedule

Millington Telephone Company, Inc. will offer dialing for intraLATA toll in all of its Tennessee exchanges no later than July 22, 1999.

IV. Carrier Selection Procedures

Millington Telephone Company, Inc. will implement the full 2-PIC (Primary Interexchange Carrier) carrier selection methodology. With the full 2-PIC methodology, customers will be able to presubscribe to one telecommunications carrier for interLATA toll calls and presubscribe to the same or a different participating telecommunications carrier, including their existing local exchange company, for all intraLATA toll calls. Orders for changes will be accepted and processed beginning on the implementation date.

Millington Telephone Company, Inc. employees who communicate with the public, and accept customer orders, will be trained to explain the process to customers for selecting a carrier for intraLATA toll calls. Business Office personnel will be prepared to make changes in customer records based upon requests from customers or carriers and direct customers to their chosen intraLATA carriers. Processes will be in place to provide new customers with an opportunity to choose their intraLATA toll carrier from a list of available carriers.

Existing Customers

On the date in which intraLATA toll presubscription is implemented in Tennessee, customers may presubscribe to any telecommunications carrier offering intraLATA toll service in their exchange. Customers may make this selection through their own initiative or as a result of the promotional marketing activities of intraLATA toll telecommunications carriers. Customers may communicate their choice of carriers directly to Millington Telephone Company, Inc., as their local exchange service provider, through the local Business Office or indirectly through their selected carriers.

Currently, BellSouth is the intraLATA toll provider for existing customers in Millington Telephone Company, Inc. local exchange area. If the existing customer does not request a carrier other than BellSouth, they will remain picked to BellSouth.

New customers after the implementation date will not be automatically assigned to an intraLATA toll carrier. The nonselecting customer will be identified as a "No-PIC". Customers identified as "No-PIC" within Millington Telephone Company, Inc.'s system will be required to dial 10-10-XXX to place intraLATA toll calls until they make an affirmative choice for an intraLATA toll carrier.

Existing customers will not be assessed a PIC change charge for their initial intraLATA toll carrier choice for a waiver period of 60 days from implementation. The existing customer will be charged the established tariff rate if the change is solely to change interLATA carrier. If the existing customer changes interLATA carriers during the same contact with the Business Office they make their initial intraLATA choice, there will not be a PIC change charge. After the waiver period of 60 days, the PIC change charge will be applied to any change in interLATA or intraLATA carriers. (If the interLATA carrier is changed, the PIC change charge will be applied. If the intraLATA carrier is changed, the PIC change charge will be applied. If both interLATA and intraLATA carriers are changed one PIC change charge will be applied.)

Millington Telephone Company, Inc. has established a \$35.65 fee for "slamming" or unauthorized PIC changes submitted by carriers for end-user customers.

New Installation Customers

Customers who contact Millington Telephone Company, Inc. requesting new telephone exchange service are currently being provided a list of telecommunications carriers available to provide interLATA toll service. Upon implementation of intraLATA toll presubscription, the customer will be provided a second list of carriers that provide intraLATA toll service in their exchange. The

list of intraLATA toll carriers will be presented in a competitively neutral manner. Customers who do not make a positive choice for an intraLATA toll carrier will be identified within Millington Telephone Company, Inc.'s system as a "no-PIC" and will not be automatically defaulted to a carrier. Customers identified as "no-PIC" within Millington Telephone Company, Inc.'s system will be required to dial 10-10-XXX to place intraLATA toll calls until they make an affirmative choice for an intraLATA toll carrier.

V. Customer Education/Notification

Customers will receive information explaining their opportunity to select an intraLATA carrier a minimum of 30 days in advance of the offering of intraLATA toll dialing parity via a bill message. In addition, during the 30 days following implementation of intraLATA Dialing Parity, customers will receive a bill insert also explaining their opportunity to select an intraLATA carrier. Millington Telephone Company, Inc. anticipates that promotional strategies by carriers will contribute to customer awareness on intraLATA toll dialing parity. Customer telephone directories will be updated as new editions are published to reflect the opportunity for customer to choose an intraLATA toll carrier.

VI. Carrier Notification

Current interexchange carriers will be notified of Millington Telephone Company, Inc. intraLATA toll dialing parity implementation via letter approximately 90 days in advance of the proposed implementation date. Carriers should provide a list of exchanges in which they plan to offer intraLATA toll service at least 60 days in advance of Millington Telephone Company, Inc.'s implementation date. Millington Telephone Company, Inc. needs notification in advance to include the carrier on the list of participating carriers in each Millington Telephone Company, Inc. exchange. Certified carriers who enter the market after implementation will be added to the list of participating carriers within 30 days of notifying Millington Telephone Company, Inc..

Millington Telephone Company, Inc. will provide subscriber listing information to carriers by magnetic tape or electronic format in a timely manner as requested through the processes that currently exist for the interLATA market. The process includes subscriber listing updates to carriers for new customers who choose that carrier or for existing customers of a carrier who revise their subscriber listings information. In addition, carriers can obtain complete subscriber listings in several formats. The provision of this information is in compliance with FCC Order No. 96-333, Paragraph 389.

Millington Telephone Company, Inc. will comply with Part 51, Section 305, 307, 325, 327, 329, 331, 333 and 335 of the FCC Order in providing the required information and notice to the public of network changes. Millington Telephone Company, Inc. plans to file a public notice with the FCC, with possible migration

of the notice to the Internet process as described in Section 329. The notice will include network information as outlines in Section 327. The notice will be provided within the timeframes described in Sections 331-333.

Millington Telephone Company, Inc. is in the Memphis LATA and will be associated with this LATA.

VII. Access to Operator Services and Directory Assistance

Access to Operator Services and Directory Assistance will continue to be available through the customer's local exchange carrier or interLATA carrier. No industry standard has been established for access to Operator Services and Directory Assistance unique to the intraLATA carrier. The customers dial "0" or "1-411" to reach their local Directory Assistance. The customer dials "00" to reach their interLATA operator and dials "1-NPA-555-1212" for accessing their interLATA carrier's Directory Assistance.

VIII. Cost Recovery

The necessary cost information has not been calculated at the time of this filing. A supplemental filing will be made when this information is known. Below is the anticipated cost elements to be used to arrive at the charges.

As stated in section 51.215 of FCC Order 96-33, CC Docket No. 96-98, "a LEC may recover the incremental costs necessary for the implementation of toll dialing parity. The LEC must recover such costs from all providers of telephone exchange service and telephone toll service in the area served by the LEC, including that LEC."

The incremental costs associated with implementing toll dialing parity by Millington Telephone Company, Inc. include:

- 1) Software translations.
- 2) System programming/testing.
- 3) Training for Business Office, Marketing, Carrier Services, Customer Services, and Service Center personnel.
- 4) Customer notification (bill message and bill insert).
- 5) Implementation activity.
- 6) PIC Change Charge Waiver

For items 1-6 above, Millington Telephone Company, Inc. proposes to recoup the incremental cost of implementing intraLATA toll dialing parity over a period of 4 years beginning on the date of implementation. For items 1-6 above, a cost recovery per minute rate of **\$0.002456** will be developed based on the identified cost divided by the total of all carrier's originating intraLATA minutes of use. Attachment B contains the total cost estimate based on the incremental costs identified above and the rate based on a recovery period of 4 years. The

detailed cost study supporting this data is proprietary and provided under separate cover. The incremental cost of the PIC Change Fee Waiver (item 6 above) will be calculated as follows:

- 1) Total of the incremental costs as outlined above.
- 2) Divided by the minutes of use forecasted for the remaining three and one half years of the recovery period (using the same forecast as Attachment B).

The result will be an amount to be added to the IntraLATA Carrier Common Line Rate beginning on August 1, 1999 for the four years of the recovery period in addition to the established rate of **\$0.01255 for Originating. A true up of the actual costs will be made in December 1999 and the additive to the Common Carrier Line adjusted effective January 1, 2000.**

To minimize billing costs, Millington Telephone Company, Inc. proposes to bill this cost recovery per minute rate as an additional element to the IntraLATA Carrier Common Line originating minutes rate element. The components of the Carrier Common Line rate element will be identified separately in the tariff.

Millington Telephone Company, Inc. will file for approval with the TRA, an Equal Access Impact Recovery Plan that will be developed and implemented in coordination with intraLATA Presubscription.

Rights Under Section 251(f)(2) of the Telecommunications Act of 1996

Millington Telephone Company, Inc. will comply with all rules of the FCC and Tennessee Regulatory Authority. The filing of this plan does not preclude Millington Telephone Company, Inc. from exercising any of its rights to Suspension or Modification under Section 251 (f)(2) of The Telecommunications Act of 1996.

REC'D TN
REGULATORY AUTH.

Attachment B

'99 JUN 16 PM 1 22

Millington Telephone Co Inc
IntraLATA Toll Dialing Parity

OFFICE OF THE
EXECUTIVE SECRETARY

Cost Recovery

Note: Information supporting the calculation of the per minute addition is considered Proprietary Information by Millington Telephone Co Inc and has been marked as such and forwarded under separate cover.

Total Cost Based On Incremental Items	Total Originating Intralata Minutes (4 yrs)	Time Period	Per Minute Addition to Carrier Common Line
\$52,890	21,536,657	4 years	\$.002456